
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The cost of feed for livestock production in
2 Hawaii can comprise up to seventy per cent of total production
3 costs versus close to fifty per cent for mainland producers.
4 There are currently five dairies and six egg farms of
5 significant size, with combined gross annual revenues of
6 \$26,400,000. Within the past year, two egg farms and one dairy
7 farm have gone out of business due to production cost increases
8 largely attributed to the rising cost of feed for livestock
9 animals. Currently, another dairy farm and another egg farm are
10 threatened by closure. Such closures increase the State's
11 dependence on imported foods, and threaten the State's food
12 security and ability to achieve levels of agricultural self
13 sufficiency. Self-sufficiency is critical to the State's
14 ability to respond effectively in the event of natural disasters
15 or disruptions in transportation.

16 Closure of local dairies and poultry farms also means that
17 children and adults throughout the State will no longer have the
18 option of selecting fresher, locally produced milk, fresh



1 chickens, and eggs. The public throughout the State has often
2 expressed interest in obtaining locally produced milk, but
3 unfortunately, the dairies do not produce enough to meet the
4 public demand. The public has expressed similar interest for
5 island fresh pork, chicken, and eggs.

6 Milk, fresh pork, chickens, and eggs provide essential
7 nutritional needs to consumers. The perishability of these food
8 products makes these products susceptible to spoilage, which can
9 cause food-borne illnesses to the consuming public. Without
10 these local industries, all milk, pork, chicken, and eggs would
11 need to be imported into the State, incurring up to ten days of
12 shipping before being offered to the consumers. Increased
13 shipping time especially decreases the expected shelf life of
14 fresh milk and eggs.

15 The purpose of this Act is to create a livestock
16 revitalization and food security program to administer and
17 disburse funds to qualified dairy, hog, and poultry farms that
18 apply for and receive, if properly documented, a reimbursement
19 for up to fifty per cent of each farm's feed expenses. With
20 financial support, the livestock industry will be able to make
21 investments in modern equipment, expand and improve their herds
22 and flocks, and develop new markets and products. This



1 financial support will serve a public purpose by enabling the
2 livestock industries to stabilize their operations, thus,
3 contributing to food security, and make them more competitive
4 with mainland suppliers in the future.

5 SECTION 2. The Hawaii Revised Statutes is amended by
6 adding a new chapter to be appropriately designated and to read
7 as follows:

8 **"CHAPTER**

9 **LIVESTOCK REVITALIZATION PROGRAM**

10 **§ -1 Definitions.** As used in this chapter:

11 "Administrative costs" means costs associated with
12 reviewing, approving, and recording expenditures and completing
13 any reporting requirements associated with the grant program.

14 "Department" means the department of agriculture.

15 "Eggs" means chicken eggs, uncooked in shell.

16 "Milk" means the lacteal secretion, practically free from
17 colostrums, obtained by the milking of healthy cows normally
18 produced or marketed through the channels of the fluid milk
19 trade.

20 "Poultry" means egg laying chicks, meat bird chicks,
21 pullets, broilers, fryers, and laying chicken hens.



1 "Qualified producer" means any person that at the time of
2 application for and disbursement of funds under this chapter is
3 in the business of producing milk from a herd, located in
4 Hawaii, if not less than three hundred fifty cows, producing
5 poultry from a flock, located in Hawaii, of not less than three
6 thousand birds, or producing pork from a herd, located in
7 Hawaii, of ten sows or one hundred fifty pigs.

8 § -2 **Grants.** A qualified producer may receive a
9 reimbursement for up to fifty per cent of each farm's feed
10 expenses, if the qualified producer has properly applied for a
11 grant under this chapter. The amount of reimbursement to each
12 qualified producer shall be calculated under a formula
13 established and adopted by the department.

14 § -3 **Grants; conditions and qualifications.** (a)
15 Applications for grants by qualified producers shall be
16 submitted on a form furnished by the department and shall be
17 filed with accompanying documentation of animal feed costs;
18 provided that:

19 (1) The applicant shall comply with applicable federal and
20 state laws prohibiting discrimination against any
21 person on the basis of race, color, national origin,



1 religion, creed, sex, age, sexual orientation, or
2 disability;

3 (2) The applicant shall have applied for or received all
4 applicable licenses or permits;

5 (3) The applicant shall indemnify and save harmless the
6 State and its officers, agents, and employees from and
7 against any and all claims arising out of or resulting
8 from the feed purchased;

9 (4) The subsidy shall not be allowed within a fiscal
10 quarter when the flock or herd size falls below five
11 per cent or more of the required minimum three
12 thousand birds, minimum three hundred fifty cows, or
13 minimum ten sows or one hundred fifty pigs in any two
14 months of the applicable fiscal quarter; and

15 (5) The department, as deemed necessary, may request an
16 applicant to provide necessary information for the
17 purposes of verifying flock or herd size, and feed
18 purchases.

19 (b) Documentation of animal feed costs and other shipping
20 documents, as deemed necessary by the department, shall be filed
21 for feed purchased within the immediate preceding fiscal quarter



1 of filing and shall be effective for feed costs incurred after
2 July 1, 2007.

3 (c) Funds shall be disbursed upon approval by the
4 department and limited to only the feed fed to the qualifying
5 flock or herd, and not applicable to feed purchases for resale
6 or gift.

7 § -4 Exemption from chapter 42F. Chapter 42F shall not
8 apply to the grants made pursuant to this chapter, but all
9 reimbursements shall be made only in accordance with the
10 standards and conditions specified in section -2.

11 § -5 Rules. The department shall adopt rules pursuant
12 to chapter 91 to effectuate the purposes of this chapter."

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$4,700,000, or so
15 much thereof as may be necessary for fiscal year 2007-2008, and
16 the same sum, or so much thereof as may be necessary for fiscal
17 year 2008-2009, for the market development division of the
18 department of agriculture to disburse to qualified producers of
19 milk, pork, and poultry for the cost of feed for dairy cows,
20 hogs, or poultry, and for the administrative costs of the
21 livestock revitalization program.



1 The sums appropriated shall be expended by the department
2 of agriculture for the purposes of this Act.

3 SECTION 4. This Act shall take effect upon its approval;
4 provided that section 3 of this Act shall take effect on July 1,
5 2007.



Report Title:

Livestock Revitalization Program; Livestock Feed; Agriculture

Description:

Creates a livestock revitalization and food security program.
Appropriates \$4,700,000 in each year of the fiscal biennium.
(SD1)

